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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 05/30/07

Part-1

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- (1) Interview with Defense Vice Minister Takemasa Moriya on collective self-defense: Environmental changes should be reflected in debate

-- What is the main reason why the government has launched a full-scale debate on the right of collective self-defense?

We once believed that the end of the Cold War would usher in an era of global peace with the collapse of the bipolar structure of antagonism between the United States and the then Soviet Union. In actuality, the international community began to face new challenges that had not existed in the cold-war era. Since a single country is unable to deal with such new challenges, cooperation among countries has become imperative. The world has stepped into a new security environment.

The first challenge is the proliferation of weapons of mass destruction, in particular, ballistic missiles. The second one is terrorism by Islamic fundamentalists using mass-transportation means such as mails containing anthrax and aircraft, as represented by the events of 9/11. The third challenge is the spread of ethnic conflicts.

-- Is it difficult to determine if actions to get rid of international terrorism or guerrillas come under the category of exercising the right of belligerency?

This issue has already been discussed in the international community, but the US insists that counteractions against Islamic fundamentalists, who attacked the US on Sept. 11, be regarded as acts of self-defense. We must also keep such points in mind.

-- Does intercepting a missile heading toward the US fall under collective self-defense?

The US has a vast territory that stretches from Alaska to the border

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with Mexico. Missiles directed at Hawaii or Guam (from North Korea) naturally fly over Japan. Prime Minister Shinzo Abe has raised a question about whether it would be acceptable for Japan to do nothing toward a missile flying over Japan and heading in the direction of the US, although Japan is now technically capable of intercepting it.

-- The New Komeito has asserted it is difficult to interpret such acts as coming under individual self-defense, hasn't it?

When the government introduced a missile defense system for the first time, it prepared legislation to enable Japan to intercept incoming ballistic missiles under individual self-defense, as well as to shoot them down with police authority. I would like to carefully watch how discussion on the issue develops at the council (of experts set up by the government) and then judge if Japan is allowed to handle such acts under the government's current interpretation of the Constitution.

(2) Ruling bloc introduces special exemption to statute of limitation bill for public pension system; Targets of relief measures unclear

ASAHI (Page 4) (Almost Full)
May 30, 2007

In order to deal with 50 million cases of pension-contribution records having unknown contributors, the ruling bloc yesterday introduced a special exemption to the statute of limitation bill for the public pension system. This will pave the way for pensioners to receive their due benefits. However, how many people are eligible for the application of the bill is not known. The government and the ruling parties are trying to demonstrate this relief measure to a maximum extent. However, the opposition parties are increasingly opposing the bill as being insufficient.

To what extent investigation into 50 million cases can be made unclear

LDP Secretary General Hidenao Nakagawa yesterday played up the government's stance of determining names of contributors whose

pension contribution records are missing: "The government will have the Social Insurance Agency (SIA) sort out all of the missing 50 million cases by 2010 as its remaining duties before it is disbanded. I want to make it a principle for the state to carry that out with responsibility."

If names of contributors making up those 50 million cases are tracked down, they will be notified the correct amount of pension benefits they are entitled to receive. However, under the present law, even if the amount of pension benefits is reinstated as a result of correction to the pension contribution records in question, pensioners can only receive an amount going back five years as a lump-sum payment. In order to make it possible for such pensioners to receive the full amounts, the ruling parties have introduced a bill to give a special exemption to the statute of limitation for the public pension system.

However, the SIA says that they have no idea how many people would be given such an opportunity.

Chances are that approximately 28.8 million cases are for pensioners

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aged 60 years or older. The SIA views that most of the records are for those who died before they reached an age entitled to receive pension benefits. If that is the case, the bill will cover an extremely small number of people.

The government will call on pensioners and those who are contributing to the public pension system to pay attention to their own pension contribution records in order to reduce pension contribution records in limbo. It estimates that this will cost approximately 1 billion yen.

However, in order to identify contributors concerning 50 million cases, it is insufficient just to call public attention. SIA officials will have to confirm individual cases of deaths or job changes of pension contributors, which would cost even more.

Following the ruling parties' call for personnel cutbacks, the SIA is now implementing a personnel cutback program, under which 29,000 incumbent SIA officials will be reduced to two-thirds by fiscal 2012. Chances are, however, it would be difficult for the SIA to deal with the new task of investigating pension contribution records to identify contributors as well as to handle the most important job of improving the rate of the collection of national pension premiums with a reduced number of personnel.

Perception gap over evidence to prove premium payments

Though the government and the ruling parties have come up with a new measure, they have yet to determine whether they should address the issue in a positive manner or remain passive. Some participants in a meeting of the LDP Health, Labor and Welfare Committee on May 29 called on young people as well as pensioners to check their pension premium contribution records. However, the Ministry of Health, Labor and Welfare did not agree. They indicated a wait-and-see attitude as before, saying that records of contributions by young people will be unified by the time they begin receiving pension benefits. Another issue is disappeared pension records, meaning neither contributors nor the SIA has pension contribution records.

The prime minister during the meeting of the Health, Labor and Welfare Committee raised his voice, "Do you mean the government should pay pension benefits to all claimants?" The prime minister has pledged a flexible response from the perspective of those who come up as claimants, by backing off from its previous pedantic approach of acknowledging only receipts as evidence. However, he did not give in on the need for claimants to show some sort of evidence, noting that pension benefits payouts are financed by premium contributions by many people.

Regarding evidence, LDP Policy Research Council Chairman Shoichi Nakagawa during a TV talk show on May 27 indicated that a moderate measure should be taken. He said, "The issue will have to be handled from a perspective of good intention, such as estimation or

circumstantial evidence. However, a deep-seated view in the government and the ruling parties is if one can receive benefits only by claiming that one has paid contributions, some may lie. Should that occur, those who have paid contributions properly would become unhappy. In that case, the pension system will fail.

Prime Minister Abe on May 28 revealed his intention to establish within the government a third-party body to determine whether to correct records in the event of neither side having no contribution

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evidence. However, how such a body reaches decisions, based on what guidelines, is not yet in sight.

(3) Abe government shaken (Part 1): Prime Minister Abe's weak political footing

MAINICHI (Page 1) (Full)
May 29, 2007

"Due to public distrust in the pension program and the agricultural minister's suicide, we will fight an uphill battle in the House of Councillors election," said a senior member of the Tsushima faction in the ruling Liberal Democratic Party (LDP) on the afternoon of May 28. A plummeting cabinet support rate and the unprecedented suicide of an incumbent cabinet minister during the weekend have now completely changed the political landscape. Although Prime Minister Shinzo Abe appeared to have gained confidence by putting forward his policy of prioritizing constitutional amendments and educational reform, his political footing has been surprisingly weak. The ruling Liberal Democratic Party's (LDP) campaign strategy relying on Abe's popularity for the Upper House election easily collapsed.

Abe was informed of the news about Agriculture, Forestry and Fisheries Minister Toshikatsu Matsuoka at around 12:45 p.m. on May 28 in a car returning to the Prime Minister's Official Residence (Kantei) from Chidorigafuchi National Cemetery in Tokyo where an annual ceremony in remembrance of unknown soldiers and others who died during wartime or in postwar internment. After holding a meeting at Kantei with Rengo (Japan Trade Unions Confederation) President Tsuyoshi Takagi, Abe arrived at Keio University Hospital at 3:00 p.m. After viewing the body, he told reporters at Kantei: "The suicide was regrettable. I'm overwhelmed by it. His face looked peaceful." He was nearly in tears when responding to questions by reporters. He consistently backed Matsuoka when the opposition pursued him in the Diet session last week, and he in turn criticized Minshuto (Democratic Party of Japan) President Ichiro Ozawa's political fund issue.

Another obstacle shaking the foundation of the LDP's campaign strategy for the Upper House election is public distrust in the pension system. According to a poll conducted on May 26-27 by the Mainichi Shimbun, the public support rate for the Abe cabinet dropped 11 points from the previous survey to 32 percent. In a survey conducted by the Nihon Keizai Shimbun during the same timeframe, the cabinet approval rate plummeted 12 points to 41 percent. According to the results of the Mainichi poll, the rates of non-support from men in their 30s and 40s soared to 55 percent and 57 percent, respectively. During the time when the polls were conducted, the media was reporting heavily about 50.95 million missing records of individual pension premium payments, hinting, too, about the possibility of the moneys having been siphoned off.

Only two weeks before, in a meeting on May 14 of the LDP Policy Research Council held at the hall in the 9th floor of party headquarters, the atmosphere was completely different. Amid a stalled discussion on the details of the party's manifesto (campaign pledges) for the Upper House, a Lower House member representing the Chugoku-Shikoku region got applause for his remarks that campaign issues should be vague, as the prime minister asserts that he will create a "beautiful country."

On the evening of May 27, Abe telephoned LDP Secretary General

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Hidenao Nakagawa and instructed him to submit to the current session a bill to address record-keeping errors in pension management as a relief measure to cover full unpaid benefits for pensioners. The ongoing session will run until June 23. The ruling coalition initially planned to submit the bill to the next Diet session. Learning the results of the opinion polls, however, the prime minister changed the plan.

Hokkaido University Prof. Jiro Yamaguchi analyzed:

"I presume that salaried workers who are in their 30s and 40s may begin to think that politicians are not seriously dealing with the issues as they should be, including the pension issue. This is an indication that the public is calling for substantive policy debate."

(4) Abe government shaken (Part 2): LDP, New Komeito at odds over politics and money issues

MAINICHI (Page 2) (Full)
May 30, 2007

Set off by suicide of Agriculture, Forestry and Fisheries Minister Toshikatsu Matsuoka, it was expected that the keen awareness of politicians toward "money and politics" scandals would increase. However, just the opposite seems to be occurring in the ruling Liberal Democratic Party (LDP).

A senior LDP member explained the mood in the party about a bill to revise the Political Funds Control Law requiring political fund management organizations to attach to fund reports receipts for expenditures of 50,000 yen or more for operating expenses. The lawmaker noted, "Some in our party say that it is a question of whether the law should be amended now that Matsuoka has died since the bill as proposed was meant to deal with the issue of his claiming huge utility expenses (for a cost-free office)."

At 10:10 a.m. on May 29, the next day after Matsuoka's suicide, a press conference by Land, Infrastructure and Transport Minister Tetsuzo Fuyushiba started.

Asked about his opinion on politics and money issues, Fuyushiba responded: "The only way to resolve the issue is to increase transparency. We should make clear the use of political funds and leave the matter to the discretion of the public. The law is strict with funds received, but I never assumed that a problem would arise regarding expenditures."

Fuyushiba is a member of the New Komeito, which has always advocated its clean political affairs. So he took a positive stance toward tougher regulations on expenses, although he had been cautious about his remarks in order to avoid sounding at odds with the cabinet. He expressed unhappiness with the LDP, which has been oblivious to "politics and money" issues.

On May 29 the LDP General Council took a vote on the bill revising the Political Funds Control Law. The LDP finally agreed to the legislation in the form of suggested by the New Komeito. However, the session focused on the issue of Minshuto (Democratic Party of Japan) President Ichiro Ozawa's fund management organization's acquisition of huge chunks of real estate.

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Former Foreign Minister Masahiko Komura said: "Penalties for the acquisition of real estate should be included in the bill."

Former MITI Minister Takashi Fukaya stated: "We should not allow illegalities."

General Council Chairman Yuya Niwa concluded the session by saying, "I want to make the issue pending until the party's reform implementation headquarters gives a convincing explanation." The council then put off the submission of the bill on May 29 that the LDP had agreed to co-sponsor with the New Komeito.

Hearing the LDP General Council's decision, a New Komeito official became upset, saying, "Even though the bill is aimed at covering the LDP's mistakes, if they make such a decision, we will have to say what we must say."

The delicate differences between the New Komeito, ostensibly a peace party, and the Abe administration, which seeks to amend Article 9 of the Constitution, have been revealed. On constitutional reform, the dominant view is that the extent of cooperation by the New Komeito with the LDP is limited to enacting a National Referendum Law. Abe said that the LDP would make constitutional reform a campaign issue and that the LDP started studying a review of the government's interpretation of the right of collective defense. These stances have widened the gulf between the LDP and New Komeito.

Appearing on a NHK talk show on May 27, New Komeito Chief Representative Akihiro Ota stated: "If LDP candidates for the Upper House election take substantially different views from our party, we cannot support them." The public support rate for the Abe cabinet plunged that day.

With the plummeting cabinet support rating, the LDP has no choice but to increase its reliance on the New Komeito in the Upper House election. The bill to revise the Public Funds Control Law should have become the cement that bound the LDP and New Komeito together. But now with Matsuoka's suicide, the LDP has lost enthusiasm to cooperate, and discord has broken out with the New Komeito instead.

(5) Self-Defense Forces in transformation (Part 2): Maritime Staff Office's leadership evokes suspicion among Defense Agency officials not in uniform

TOKYO SHIMBUN (Page 1) (Abridged slightly)
May 28, 2007

"The Maritime Self-Defense Force will assist the United States in any way possible."

"Thank you. I appreciate your offer."

This conversation took place on the phone between then MSDF Chief of Staff Toru Ishikawa and Rear Adm. Robert Chaplin, commander of the US Naval Forces Japan, late on Sept. 11, 2001, immediately after the terrorist attacks on America's nerve centers.

True to Ishikawa's words, the Maritime Staff Office immediately decided to send security personnel to Tokyo Bay and Sasebo Bay that were close to US bases. Destroyers and minesweepers carrying MSDF crewmembers sailed for those ports on the early morning of Sept. 12. The SDF's steps did not end there.

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The airspace over the Yokosuka Naval Base contained flight paths for planes from and to Haneda Airport. Flying passenger planes reminded US servicemen of the hijacked planes that struck the World Trade Center towers.

On Sept. 21, four US warships, including the Kitty Hawk, left Yokosuka reportedly for joining the campaign in Afghanistan. But in reality, the move was for evacuating the US vessels following the contingency. Sandwiched by two MSDF destroyers, the Kitty Hawk sailed on.

Harbor patrol and escorting the US aircraft carrier were done in the name of research and study under the Defense Agency Establishment Law. The law governs the Defense Agency's administrative work, meaning the management of the Self-Defense Forces. And defending Japan is the SDF's duty.

Defending US forces would result in closer ties between Japan and the United States and an enhanced system for the defense of Japan. At the same time, the step could be taken as exercising the right to collective self-defense, which was prohibited under the Constitution.

The step caused tumultuous debate in a conference in the Defense Ministry before allowing the SDF destroyers to escort the US warships. A defense official not in uniform argued, "The grounds were too ambiguous." The Maritime Staff Office in the end successfully convinced the internal bureaus, asking, "Are you prepared to see the Japan-US alliance collapse?"

Having making joint efforts with the US to contain Soviet submarines during the Cold War era, the MSDF has the closest ties to the United States of all the three forces in Japan. Openly referring itself as the direct descendant of the former Imperial Japanese Navy, the MSDF is independent minded and takes pride in itself as having played a main role in the Japan-US alliance.

The Maritime Staff Office miscalculated the situation, however. The escort of the US aircraft carrier by the MSDF destroyers elicited displeasure from the Prime Minister's Official Residence (Kantei) saying, "We did not hear anything about it," There was a rumble as well from the Liberal Democratic Party: "The MSDF overplayed its hand."

It was also the LDP that later forced the MSDF to remove the high-performance Aegis system from its vessels dispatched to the Indian Ocean apparently for the sake of civilian control. But questions still remain about civilian control.

Eight days after 9/11, then Prime Minister Junichiro Koizumi unveiled a seven-item emergency response, including refueling US warships. The same item appeared on the MSDF's set of support measures, independently compiled by the Maritime Staff Office. The MSDF's report also clearly mentioned the Indian Ocean as the area of activities.

The Defense Agency internal bureaus were unaware of Prime Minister Koizumi's seven-item list because the Foreign Ministry independently drafted it.

"The internal bureaus considered the option of dispatching a

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government plane for evacuating American people. We didn't think there was demand (for refueling). We thought that was out of the question," a former senior Maritime Staff Office member said, looking back on those days. Uniformed officers later began making quiet contact with the Foreign Ministry.

On November 9, 2001, three MSDF vessels departed Japan for the Indian Ocean under the pretext of research and study - the same as escorting the US aircraft carrier in accordance with the Defense Agency Establishment Law. The only difference was that the Kantei had given the go ahead to the Indian Ocean mission.

"The Maritime Staff Office pulled the wires behind the scenes." The suspicion the internal bureaus harbored back then still grips them.

(6) Self-Defense Forces in transformation (Part 3): MSDF eager to demonstrate its presence through US-led PSI

TOKYO SHIMBUN (Page 1) (Abridged slightly)
May 30, 2007

The Maritime Self-Defense Force participated for the first time in a multinational Proliferation Security Initiative (PSI) interdiction training exercise held in Singapore in August 2005. The MSDF sent one destroyer and two P3C patrol planes to the exercise.

Patrol planes also searched waters in the South China Sea based on a scenario in which a Northeast Asian vessel carrying illicit chemicals was cruising in waters there. The MSDF conducted a difficult nighttime search. Their discovery of three suspicious ships by using an infrared sensor impressed crewmembers of other countries.

Looking back on the exercise, commander Eiji Terashima, 50, said, "It helped increase the level of teamwork among participating

countries." What is difficult in PSI is not front-line training. A lack of unity was already evident in the tabletop training on the first day, pointing to mounting problems.

In the case of Japan, for instance, only the Japan Coast Guard is allowed to carry out maritime interdictions in waters under domestic law. The Maritime Self-Defense Force is not allowed to engage in such activities unless the government orders maritime security operations or the ship inspection law is invoked following a contingency like a war in areas surrounding Japan.

US President George W. Bush first proposed the PSI in May 2003.

Ships are free to navigate on the high seas under the UN Convention on the Law of the Sea. Maritime interdictions are limited to such cases as trafficking in persons, acts of piracy, and ships of unknown or false nationality. Countries can crack down on some cases that occur in their territorial waters under their domestic law. An increase in the number of PSI participants, which now stands at 75, can help prevent the proliferation of weapons of mass destruction (WMD).

A certain event occurred last October following North Korea's nuclear test that made Japan realize that it has a perception gap with the United States. The UN Security Council adopted a resolution banning the trade in WMD-related materials with North Korea. The resolution simply urged the member countries to deal with the

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situation as necessary under their respective domestic law and international law instead of mentioning the need for maritime interdictions, including firing warning shots.

The United State, which led the UN Security Council, gave priority to the wishes of China and Russia over Japan's call for tough sanctions. Washington's primary concern was a third country gaining possession of nuclear materials from North Korea rather than the reclusive country itself, which does not have the military capability to attack the United States.

Inspection activities combining international law and domestic law resulted in the PSI. America's UN ambassador at the time was John Bolton, who had devised the PSI during his tenure as under secretary of state. Washington's intention to establish the PSI to guarantee the security of the United States became clear.

Countries subject to the PSI depend largely on America's decision. Bolton once called for nonproliferation from North Korea and Iran, labeling them rogue states. The term "Northeast Asia" in the PSI exercise in Singapore clearly pointed to North Korea.

That is why China and South Korea, which have friendly ties with North Korea, have not joined the PSI. Some other countries are also keeping their distance from the PSI based on the bitter lessons from the Iraq war, which was initiated by a "coalition of the willing."

"Still, joining the PSI carries some significance," a senior MSDF officer said. Armed with naval vessels and patrol planes, the MSDF is the only entity in Japan that can give life to the PSI. The MSDF undoubtedly regards the PSI as a good venue to demonstrate its presence regardless of restrictions under domestic law.

SCHIEFFER